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(n) [The text of proposed amendments to §301.7216-2(n) is the same as the text for §301.7216-2T(n) published elsewhere in this issue of the Bulletin].

(o) [The text of proposed amendments to §301.7216-2(o) is the same as the text for §301.7216-2T(o) published elsewhere in this issue of the Bulletin].

(p) [The text of proposed amendments to §301.7216-2(p) is the same as the text for §301.7216-2T(p) published elsewhere in this issue of the Bulletin].

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Steven T. Miller,
*Deputy Commissioner for
Services and Enforcement.*

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Deletions From Cumulative List of Organizations Contributions to Which are Deductible Under Section 170 of the Code

Announcement 2010-1

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the

activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on January 25, 2010, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Call of the Wild Sportsmen, Inc
Mt Airy, MD

Automatic Approval of Changes in Funding Method for Takeover Plans and Changes in Pension Valuation Software

Announcement 2010-3

This announcement provides, for plan years beginning on or after January 1, 2009, automatic approval for certain changes in funding method with respect to single-employer defined benefit plans that result either from a change in the valuation software used to determine the liabilities for such plans or from a change in the enrolled actuary and the business organization providing actuarial services to the plan. This guidance is being provided in response to numerous requests from actuaries and plan sponsors, many of whom are continuing to modify their valuation software in order to implement the changes to the funding rules made by the Pension Protection Act of 2006 (PPA '06), the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA '08), and guidance regarding these legislative changes.

Background

A change in funding method can occur when the business organization providing actuarial services to a plan modifies its valuation software. A change in funding method can also occur when the enrolled actuary and business organization providing actuarial services for a plan is changed and the new enrolled actuary uses different valuation software than the prior enrolled actuary, or otherwise applies the overall funding method in a different manner (plans for which both the enrolled actuary and the business organization providing actuarial services are changed are referred to as "takeover plans").

Under § 412(c)(5) of the Code (and its counterpart in section 302(c)(5) of ERISA) as in effect prior to PPA '06, any change of funding method required the approval of the Secretary. Revenue Procedure 2000-40, 2000-2 C.B. 357, provided automatic approval for certain changes in funding method resulting from changes in valuation software (section 4.04) and for changes in funding method that occurred with respect to takeover plans (section 4.03). With respect to changes in funding method resulting from changes in valuation software, Revenue Procedure 2000-40 provided approval for the changes if: (1) net charges to the funding standard account determined using the new valuation software did not differ by more than 2% from the net charges determined using the old valuation software (the "pre-PPA 2% test"); (2) the modification to the computations in the valuation software or the use of a different valuation software system were designed to produce results that were no less accurate than the results produced prior to the modification or change; and (3) the approval for takeover plans described in the next paragraph was not applicable.

With respect to takeover plans, Revenue Procedure 2000-40 provided approval for changes in funding method if: (1) there was both a change in the enrolled actuary for the plan and a change in the business organization providing actuarial services to the plan; and (2) the method used by the new actuary was applied to the prior plan year and that the absolute value of each resulting difference in normal cost, accrued liability (if directly computed under the method), and actuarial value of